



# Appropriations Update

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## FISCAL YEAR 2006 DEPARTMENT OF AGRICULTURE, RURAL DEVELOPMENT, FOOD AND DRUG ADMINISTRATION, AND RELATED AGENCIES APPROPRIATIONS BILL—H.R. 2744 Conference Report

### SUMMARY

The conference report for agriculture and related appropriations, filed in the House on 26 October 2005, exceeds by \$199 million its applicable suballocation of budget authority. Thus, it technically violates the Congressional Budget Act, the third such conference report to do so. The overage would have to be made up in subsequent appropriations for the full Appropriations Committee to remain within its total allocation.

The measure – formally the conference report accompanying the Department of Agriculture, Rural Development, Food and Drug Administration, and Related Agencies appropriations bill (H.R.2744; H.Rept. 109-225) – provides net new budget authority of \$17.031 billion. The excess over the suballocation occurs despite the routine use

of substantial offsets from legislative language that changes mandatory programs, discussed in more detail below.

The Committee on Appropriations is of the view that, due to other budgetary requirements, it cannot adjust the suballocation that applies to this conference report, and therefore cannot correct the Budget Act violation.

The conference reports on the Interior and Legislative appropriations bills also exceeded their suballocations. In total, conference reports filed to date exceed their suballocations by \$336 million.

Under the rule for floor consideration, Budget Act points of order do not arise against the conference report.

### COST OF THE LEGISLATION

As noted, the conference report provides \$17.031 billion in net new budget authority [BA] for fiscal year 2006, with resulting outlays of \$18.747 billion. Compared with baseline levels for fiscal year 2005, this is a decrease of \$1.222 billion in BA and an increase \$98 million in outlays. Adjusting for the \$1.659 billion in net mandatory BA savings in the conference report, the measure totals \$18.690 billion in discretionary BA – \$437 million higher than in

2005 – and \$19.221 billion in discretionary outlays, a \$474-million increase.

The conference report is above the President's request by \$113 million in BA, and below the President's request by \$35 million in outlays. (The BA provided by the request is also below the 2005 baseline because it likewise proposes many of the same savings from mandatory programs.)

**Table 1: Department of Agriculture, Rural Development, Food and Drug Administration, and Related Agencies**  
(fiscal years; millions of dollars)

	2005 Spending <sup>a</sup>	Administration 2006	302 (b) for 2006	Bill <sup>b</sup>
Budget Authority	18,253	16,918	16,832	17,031
Outlays	18,649	18,782	18,691	18,747

<sup>a</sup> Excludes emergency-designated appropriations.

<sup>b</sup> Excludes spending from changes in mandatory programs.

(continued on reverse side)

## COMPLIANCE WITH THE BUDGET RESOLUTION

As noted above, the conference report exceeds, by \$199 million, the 302(b) allocation provided to the Appropriations Subcommittee on Agriculture, Rural Development, Food and Drug Administration, and Related Agencies. Technically, this violates section 302(f) of the Congressional Budget Act, which prohibits consideration of appropriations measures that exceed the applicable 302(b) suballocation to their respective subcommittees. The Appropriations Committee believes that a related provision of the Budget Act – section 302(e), requiring that 302(b) suballocations be consistent with House action on legislation under the committee’s jurisdiction – precludes it from adjusting the suballocation. (This section was intended to preclude the Appropriations Committee from effectively paying for higher appropriations in select bills by reducing the allocations for previously passed bills below their actual House-passed levels. It was not intended to preclude

adjustments of allocations for conference reports.) In the absence of changes in the suballocation procedures, the technical violation that occurs in this measure could arise again with future conference reports, also because of section 302(e).

The conference agreement contains no advance appropriations or emergency-designated spending, the use of which are governed by the budget resolution – and hence complies with those provisions of the budget resolution.

As this is the third conference report to exceed its suballocation, and it is not known where the cumulative breach of \$336 million will be made up, it is unclear whether all 11 bills will be equal to the 302(a) to the full Appropriations Committee, pursuant to the fiscal year 2006 budget resolution (H.Con.Res. 95).

**Table 2: Discretionary Spending in the Department of Agriculture, Rural Development, Food and Drug Administration, and Related Agencies Appropriations Bill**  
(in millions of dollars)

	2005 Budget Authority <sup>a</sup>	2005 Outlays <sup>a</sup>	2006 Budget Authority <sup>b</sup>	2006 Outlays <sup>b</sup>	Difference BA	Difference Outlays
Department of Agriculture . . . . .	16,720	17,163	15,460	17,219	-1,260	56
<i>Agricultural Research Service</i> . . . . .	1,288	1,232	1,266	1,272	-22	40
<i>Cooperative State Research Education   and Extension Service</i> . . . . .	1,165	1,120	898	1,121	-267	1
<i>Animal Plant Health Inspection Service</i>	813	748	820	819	7	71
<i>Food Safety and Inspection Service</i> . . . .	817	793	838	836	21	43
<i>Farm Service Agency</i> . . . . .	1,458	1,498	1,417	1,501	-41	13
<i>Natural Resources Conservation Service</i>	982	1,052	367	810	-615	-242
<i>Rural Development</i> . . . . .	835	953	842	991	7	38
<i>Rural Housing Service</i> . . . . .	1,366	1,557	1,435	1,596	69	39
<i>Foreign Agricultural Service</i> . . . . .	1,327	1,512	1,478	1,582	151	70
<i>Food and Nutrition Service</i> . . . . .	5,554	5,566	5,555	5,555	1	-11
<i>Other, Department of Agriculture</i> . . . . .	1,115	1,132	544	1,126	-571	-6
HHS - Food and Drug Administration . . . .	1,433	1,379	1,477	1,436	44	57
Other . . . . .	<u>100</u>	<u>107</u>	<u>94</u>	<u>92</u>	<u>-6</u>	<u>-15</u>
Total . . . . .	18,253	18,649	17,031	18,747	-1,222	98

<sup>a</sup> Excludes emergency-designated appropriations.

<sup>b</sup> Excludes spending from changes in mandatory programs.

## DISCUSSION

As can be seen on Table 2 above, the total cost of the bill is \$1.222 billion below the 2005 baseline levels for the discretionary programs it funds. The year-over-year decline is due to routine scorekeeping and the fact that nearly-

identical changes in mandatory programs were found in last year’s agriculture appropriations bill. The changes in mandatory programs found in last year’s bill are scored as discretionary spending in 2005, but the proposed changes in

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this year's bill appear as negative numbers when summing up the 2006 discretionary totals. As a result, the 2006 level appears to be below 2005 when in fact they are slightly above the overall discretionary spending. The same pattern will continue next year after enactment of this legislation.

As mentioned above, despite changes in mandatory programs the appropriations bill exceeded its 302(b) allocation for 2006. The measure limits spending below authorized levels on conservation programs and prohibits spending altogether on many of the agricultural research, area and regional development, and alternative energy programs authorized as part of the 2002 farm bill.

Taking into account the net changes in mandatory programs in this bill, the Department of Agriculture [USDA] would receive \$17.119 billion in discretionary appropriations for 2006, an increase of \$399 million from comparable 2005 amounts. The total is \$132 million above the administration's request. Highlights include the following items:

- *Cooperative State Research Education and Extension Service.* The bill provides a decline of about 23 percent, or \$267 million, from to 2005, a smaller reduction than the \$444 million decline proposed by the administration.
- *Inspection Services.* BA for both the Animal and Plant Inspection Service and the Food Safety Inspection Service has been growing by more than 5 percent annually since 2000, but each agency will receive a smaller increase in 2006.

Other agencies funded by the bill are described below:

- *Food and Drug Administration [FDA].* The bill provides \$1.477 billion in discretionary BA to the FDA, an increase of \$44 million from 2005 levels, and \$10 million below the request.
- *Commodity Futures Trading Commission [CFTC]* – The CFTC receives \$98 million in budget authority, \$1 million below the administration's request.

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